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President: Mr. CONSTENLA (Costa Rica)

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The meeting was called to order at 3.10 p.m.

TECHNICAL ASSISTANCE TO THE PALESTINIAN PEOPLE (IDB.8/28)

1. Mr. WIESEBACH (Deputy Director-General, Department for Programme and Project Development) said that, following the seventh session of the Industrial Development Board, the Secretariat had pursued its efforts with other United Nations bodies and specialized agencies, such as UNDP, UNRWA, UNCTAD, ILO and ITC, to promote and expand technical activities in support of the Palestinian people. Many initiatives had been taken in that regard, as indicated in the Director-General's report to the Board at its current session (IDB.8/28), particularly in respect of the establishment of a marketing centre for industrial products.

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2. The programme had, however, been severely undermined by the Gulf crisis and its consequences. In addition, the prevailing circumstances in the occupied territories continued to hinder UNIDO's plans to develop and implement a number of projects that had been identified and formulated. Close consultation had been maintained on those matters with the representative of Palestine, and it was to be hoped that the situation in the area in question would eventually improve so that the Organization would be able to carry out genuine substantive activities, as desired by the Palestinian people.

3. Mr. AWEIDAH (Observer for Palestine) said that according to the report of the Director-General (IDB.8/28), assistance had come to a virtual standstill during the period under review as a result of the Gulf crisis. His delegation was grateful to UNIDO and to the Member States for the assistance provided to the Palestinian people, particularly since the beginning of the intifada. It was to be hoped that the Organization would be able to proceed unhindered in carrying out its assistance, the need for which had increased considerably owing to the impact of the Gulf crisis on economic and social conditions and the escalation by the occupying Power of its harsh policies, including prolonged curfews, during which the various sectors of the Palestinian national economy had been unable to operate, and the denial of work permits to thousands of Palestinians who worked in the Israeli economy in the absence of employment opportunities in the besieged Palestinian national economy.

4. It was to be hoped that UNIDO would take the initiative of preparing a study on the impact of the Gulf crisis on the Palestinian industrial sector and its assistance needs. His delegation was confident that the establishment of an economic unit on Palestine would fill such a gap. In that connection, he recalled that the Board, in its decision IDB.7/Dec.17, had asked UNIDO to study the establishment of an economic unit to monitor and promote the development of the Palestinian industrial sector with the view to including an appropriate provision for that purpose in the programme and budgets for the 1992-1993 biennium.

5. Unfortunately, the report under consideration suggested dropping the whole idea, a proposal to which his delegation was completely opposed. The establishment of such a unit, which would consist of two economists and a secretary, would improve UNIDO's assistance to the Palestinian people. His delegation stressed the need to begin and pursue the process leading to the establishment of that unit and asked the Director-General to report in detail to the next General Conference on the progress made to that end and on the unit's function, personnel and budget.

6. Pending the establishment of such an economic unit, his delegation did not object to the assignation of its functions, on a temporary basis, to two staff members who, it was to be hoped, would be able to visit occupied Palestine to gain firsthand information about the Palestinian industrial sector and to cooperate with the UNDP office in occupied Jerusalem in the provision of technical assistance to the Palestinian people.

7. There was a need for coordination with UNDP, because that was the only United Nations development body operating in occupied Palestine, and it had prepared a portfolio of projects, including industrial ones, some of which might be implemented. There was clearly room for UNIDO if it wished to participate.

8. Owing to absurd Israeli objections, UNIDO had no direct access to occupied Palestine, but UNIDO staff could gain access if they travelled under the UNDP umbrella. Without coordination and access, UNIDO assistance to the Palestinian people would remain limited to activities abroad, and that would have less than the desired optimum benefit.

9. Significant financial and military support had been rushed to Israel during the Gulf war, whereas little assistance had been given to the Palestinian people, despite the fact that the Israeli authorities had killed or wounded several thousand Palestinians since the beginning of the intifada and inflicted considerable damage on the Palestinian national economy. No one had rushed to protect the Palestinian people from Israeli atrocities. Moreover, the Palestinian people had been hitherto deprived of the opportunity to benefit from the United Nations compensatory aid in connection with the Gulf crisis, in spite of their losses arising therefrom.

10. While recognizing the importance of assistance in alleviating the severe impact of Israeli policies and practices on the Palestinian people and its national economy, his delegation stressed that the question of Palestine was a political one that required a just solution based on international legality as reflected in the relevant United Nations resolutions. International legality must not be applied on a selective basis.

11. Mrs. TALLAWY (Egypt) said there had been a shocking economic, social and political deterioration in the situation of the Palestinian people as a result of the policies and practices of the Israeli occupiers in violation of international law. Universities and schools had been closed, curfews imposed and work permits banned. The progress report by the Director-General (IDB.8/28) stated that technical assistance had declined owing to the Gulf crisis, but it did not review such assistance before and after the crisis.

12. Board decision IDB.7/Dec.17 invited the Director-General to study the establishment of an economic unit to monitor and promote the development of the Palestinian industrial sector, and he should be asked why that decision had not been followed up. In any case, the absence of such a unit did not prevent the Secretariat from carrying out technical assistance projects for the Palestinian people. At the very least, it could implement the recommendations of the UNIDO Seminar on Prospects for the Palestinian Industrial Sector, held at Vienna in 1989.

13. Mr. ASHRI (Saudi Arabia), supported by Mr. AIT HMID (Morocco), said that the Palestinian people was being prevented from achieving industrial development and UNIDO must provide it with real assistance, with particular reference to industrial projects to improve the plight of the Palestinian children. The Organization must play a more tangible role by establishing an economic unit to monitor and promote the development of the Palestinian industrial sector, a project that would need to be borne in mind at the next General Conference.

14. Mr. SALLOUKH (Observer for Lebanon) said that security was being restored in his country and

Lebanese sovereignty was gradually being extended to a greater proportion of the national territory. His delegation was most appreciative of the efforts made by the United Nations system to help the country in the past. His Government, which was striving to restore conditions in Lebanon to what they had previously been, hoped that technical and material assistance would be provided by international organizations and friendly countries.

15. His delegation appreciated the efforts of UNIDO to provide technical assistance to the Palestinian people. It thought that the establishment of an economic unit to monitor and promote the development of the Palestinian industrial sector would help remove some obstacles to UNIDO's work in that regard.

16. Mr. AL-MATOOQ (Iraq), having expressed his support for the statement by the representative of Palestine, said that the progress report by the Director-General (IDB.8/28) stated that UNIDO had been unable to provide as much assistance to the Palestinians as in the past because of the Gulf crisis. However, the real obstacle to such technical assistance must be sought elsewhere, namely, in Israel's attempt to prohibit it from reaching the Palestinian people.

17. The living conditions of the Palestinian people had perceptibly worsened, and that was a reason for increasing assistance. UNIDO must ensure a real presence in the occupied territories, as other international bodies had done, the most effective means being the establishment of a follow-up unit to monitor technical assistance support activities in the occupied territories.

18. Mr. HOSSEIN ZADEH (Islamic Republic of Iran) said that, far from improving, the deplorable plight of the Palestinian people had continued to deteriorate. Palestinians in the occupied territories were being mistreated and persecuted, while the number of Jewish immigrants in the occupied territories was constantly increasing.

19. According to the Director-General's progress report (IDB.8/28), UNIDO had been unable to implement its technical cooperation programme in the area because of the Gulf crisis but, even before the Gulf war, the occupying regime had not permitted UNIDO experts to visit the occupied territories. It had used the crisis in the Persian Gulf region as a pretext to step up the establishment of settlements of Jewish immigrants, which had changed the population structure of the region.

20. The Director-General should begin the study on the establishment of an economic unit to monitor and promote the development of the Palestinian industrial sector. An appropriate provision to that effect should be included in the programme and budget for the 1992-1993 biennium.

21. It was also important to expedite the establishment of a Palestinian development and information bank in the occupied territories, including an industrial information bank to promote investments, production and employment and generate income. Such a bank could help UNIDO to identify and implement projects in the area.

22. Governments should be encouraged to bring political pressure to bear to ensure that international technical and economic assistance flowed freely to the occupied territories. Ways and means must be found to support the industrial structure and to replace economic practices imposed by the Zionist regime and the implementation of projects under the control of the occupying authorities must be avoided.

23. His Government, which supported any action to improve the living conditions of the inhabitants of the occupied territories and to render them technical assistance through international organizations, declared its willingness to cooperate with UNIDO to that end.

24. Mr. SUN Jie (China) said that the Palestinian people was facing a variety of difficulties, both old and new, and was in need of increased assistance from the international community. His delegation called upon the Secretariat to take more effective steps to protect human life and financial resources in the occupied territories, with a view to alleviating the plight of the Palestinian people.

25. Mr. GAILI (Sudan) said that a report should be submitted to the fourth session of the General Conference on the progress made on the issue under consideration and on implementation of decision IDB.7/Dec.17. UNIDO must step up the volume of its technical assistance and establish a presence in the occupied territories together with other international bodies. The proposed economic unit must be established to help the Palestinian people rebuild its industry and economy.

26. Mr. KHENE (Algeria), having endorsed the statement by the representative of Palestine, said that UNIDO should spare no effort to alleviate the suffering of the Palestinian people; the situation in the occupied territories was catastrophic. UNIDO must develop an innovative approach to help rehabilitate industry in the occupied territories and his delegation called upon the Member States to demonstrate their support for the Palestinian people by working to enhance, both quantitatively and qualitatively, the Organization's activities in the occupied territories.

27. Mr. AFANASIEV (Union of Soviet Socialist Republics) said that his delegation viewed the activities conducted by UNIDO between August 1990 and April 1991 very positively. They had been marked by a general expansion of the technical assistance programme for Palestine.

28. His delegation supported the Director-General's proposal for a coordination centre within the framework of the programme for the Arab countries in the territorial programmes section, on the understanding that it would not entail any additional financial expenditure. The coordination centre would monitor the development of the Palestinian industrial sector, coordinating UNIDO technical assistance, and it was thus necessary to establish a one- or two-year programme for it, taking due account of the economic and social needs of the Palestinian people.

29. Mr. WIESEBACH (Deputy Director-General, Department for Programme and Project Development) said that the major problem in assisting the Palestinians was the difficulty in obtaining access to the area concerned. The lack of cooperation by the authorities made it hard to plan or implement projects.

30. There had been some follow-up to the 1989 Seminar and consultations had been held with UNCTAD, UNDP and other agencies regarding the establishment of a marketing centre. UNIDO was

able to make use of UNCTAD's data centre and might not need to set up its own. It had been agreed that UNIDO would field a mission, but it had not yet been possible to do so.

31. In the light of the situation in the area and of UNIDO's internal circumstances, it would be very difficult to establish a special unit for the time being, but UNIDO had a focal point in the subprogramme to monitor the development of the Palestinian industrial sector and initiate technical cooperation programmes. The Secretariat was prepared to upgrade the functions of the focal point by establishing, in the office of the Director of the appropriate Division, a focal point to monitor and promote the development of the Palestinian industrial sector. Such a change would have no financial implications for the budget.

32. Mr. MOHAMMED (Nigeria) asked whether any effort had been made to collaborate with the Palestinians spread throughout the world.

33. Mr. WIESEBACH (Deputy Director-General, Department for Programme and Project Development) said that any collaboration with the large and influential Palestinian population in other countries would be a matter to discuss with the representatives of the Palestinian people.

34. The PRESIDENT said that the Board had concluded its consideration of agenda item 9.

PERSONNEL MATTERS:

(a) WOMEN IN THE SECRETARIAT

(b) UNITED NATIONS JOINT STAFF PENSION FUND

(IDB.8/15, 20, 35 and 49)

35. Mr. HABLE-SELASSIE (Director, Personnel Services Division) said that the designation in the Secretariat in 1988 of a high-level coordinator for the improvement of the status of women and the introduction of the plan of action in 1989 had produced some positive results. At the end of 1990, the share of women in the Professional category in the Secretariat had risen to 21 per cent. That positive trend had been maintained in 1991 through external recruitment or internal transition from the General Service to the Professional category. Since January 1991, eleven women had been appointed or were in the process of receiving offers of appointment, representing 37 per cent of the persons recruited since the beginning of 1991. The prospects for reaching the 25 per cent target by 1993 were encouraging.

36. There were two barriers: the cash-flow situation of the Organization and its constraining effect on recruitment and the rate of retirement of the women currently on board. In a worst case scenario, UNIDO might not be able to take on new staff when it lost others.

37. There was no room for complacency. The situation had to be kept under review so that remedial measures could be adopted on a timely basis. The Director-General intended to strengthen the current departmental working groups by setting up a standing committee to support the high-level coordinator and to advise, through the Joint Advisory Committee, on measures and policies concerning promotion and recruitment to supplement the plan of action.

38. Departments would be encouraged to report progress they had made in improving the status of women at the half-yearly implementation review meetings of the Director-General. The Administration was very aware that it had not fully tapped the potential offered by women in the Secretariat. It intended to place them in proper positions to be identified through an effective human resources planning process and to intensify training for women within the limited budget available. The response so far had been very encouraging. This was particularly true of the participation of women in UNIDO's work and the change in attitude brought about by recent workshops on leadership styles and effective management.

39. With reference to agenda item 10 (b), he said that UNIDO, as a member organization of the United Nations Joint Staff Pension Fund, provided its input to the United Nations Joint Staff Pension Board through its Staff Pension Committee, which dealt with all matters relating to retirement and related benefits for UNIDO participants in the Pension Fund. Since its inception in 1986, the Staff Pension Committee, a tripartite body, had held 33 meetings.

40. The current year would be a particularly critical one as the Pension Board had been mandated by the General Assembly to submit recommendations on items affecting the pension adjustment system and the pensionable remuneration of staff in the General Service and other locally recruited categories. The former topic was of particular concern to participants in the Professional and higher categories who had reached the age of 55 by the end of 1990 and accrued at least five years' contributory service. The other equally important item, concerning the pensionable remuneration of the General Service staff, was handled in cooperation with the International Civil Service Commission.

41. The General Conference would be represented at the forthcoming Pension Board meeting in Paris by Mr. Zador, who had been Chairman of the Pension Board for the past two years.

42. There was currently one post vacant on the Staff Pension Committee and the Board had the authority to elect a member to fill the vacant post for the balance of the term, i.e. until 31 December 1991. On that date, the terms of all three groups on the tripartite Committee would expire and the General Conference would be asked to nominate two members and two alternate members to act as its representatives for the 1992/1993 term. The Board was required to recommend candidates for those posts.

43. In connection with document IDB.8/35, he wished to draw the Board's attention to General Assembly resolution 45/241, approving the recommendations of the International Civil Service Commission, and resolution 45/240 on respect for the privileges and immunities of officials of the United Nations and the specialized agencies.

44. He asked the Board to note the amendments made to the UNIDO Staff Rules and the relevant annexes and to approve the same changes in the conditions of service of the Director-General, in line with all the other agencies of the United Nations system.

45. Ms. LAVNICK-WAINSTEAD (President of the UNIDO Staff Council), speaking at the invitation of the President, said that the statement by the UNIDO

staff (IDB.8/49) touched on several issues of crucial importance to staff members, namely the alarming loss in the purchasing power of Professional salaries, the threat to the pensions of both General Service and Profession staff and the growing politicization of UNIDO.

46. It was not a good time for the staff to raise the question of inadequate salaries and uncertain pensions. The Organization's budget was being blocked by the Member States, many of which had defaulted on their financial commitments to UNIDO. Since its establishment as a specialized agency, UNIDO had never been on a sound financial footing. While responsibility lay with both the Member States and the Administration, the staff members were the losers. There had been no reduction in their workload and the proposed restructuring would call for increased efforts by all of them.

47. The members of the Programme and Budget Committee might have had sound reasons for postponing agreement on the budget, but the staff members saw the decision as a petty show of political strength, a basic lack of understanding or a calculated attempt to destabilize the Administration of UNIDO and hence the Organization itself. The implications for the staff were devastating.

48. Anxiety about salaries, pensions and the politicization of UNIDO, coupled with the lack of a budget, hardly made for healthy staff morale. Restructuring would be implemented by a staff that was dispirited and largely demotivated, whereas the exercise called for enthusiasm and superlative effort. It could only succeed in at atmosphere of confidence and trust, where there were career opportunities for all, where staff consultation was an ongoing process and where individuals' interests and competence were taken into account when posts were being filled.

49. The Staff Council would welcome the chance to participate in an open-ended working group, or similar forum, and to comment on the proposed restructuring. For example, there was no clear indication of planning or resources for staff training. Restructuring could also be a perfect opportunity to redress the imbalance in the number of men and women in senior posts.

50. The staff shared Member States' concern that the new UNIDO structure should enhance the speed and quality of assistance to developing countries. If that were achieved, the staff's job satisfaction would know no bounds. However, job satisfaction did not pay the rent or look after people in their in old age and, for many years, the staff had been left in the background while the various Governing Bodies took arbitrary decisions depending on the mood of the moment.

51. Salaries in the United Nations system had stagnated and trailed behind those of virtually every international employer. In the EEC Secretariat, for example, the equivalent of a P-2 earned more than a D-2 in the United Nations. EEC staff also received an automatic annual adjustment equal to inflation at the duty station. United Nations staff had resolved to take strong action and a system-wide strike was not out of the question, if remedial measures were not adopted to restore Professional salaries.

52. If it were not for UNIDO's non-budget status, the Board would have been urged to follow the example of the ITU Governing Council in awarding each Professional staff member a special post allowance to the next higher level. The Board should, none the less, recognize that Professional salaries were inadequate, having lost over 25 per cent of their purchasing power in the last seven years. With regard to pensions, she sought the Board's support for option D, which would give Professionals retiring in high-cost duty stations the same income replacement ratio as their colleagues in New York. Adoption by the General Assembly of option D would also ensure a return to the common system by those organizations which had established supplementary pension schemes.

53. Some of the solutions to the staff's problems lay with other bodies, but some were of concern to the Board itself. The Board had a heavy agenda, but she begged it to take the staff's views seriously.

54. Mr. KRAMER (Netherlands), speaking on behalf of the States members of the European Community, said that the staff of UNIDO had had to face serious financial uncertainties, due partly to exchange rate fluctuations but mainly to Member States failing to meet their obligations. Prolonged discussion and delay in implementing the management review had only added to those uncertainties. Despite job insecurity, the staff continued to strive to achieve UNIDO's objectives and its efforts should not be frustrated by cash-flow problems. The delegations he was representing urged all Member States to pay their assessed contributions on time.

55. Developing countries looked to UNIDO for objective and independent advice and it was essential that the Administration should demonstrate integrity, consistency and fairness in personnel matters.

56. It was regrettable that the current functioning of the United Nations common pension system put UNIDO's personnel at some disadvantage. Some improvements might also need to be considered for the staff in General Services and at the executive head level, but the heart of the problem was the Professional staff pensions. Post adjustments were an effective mechanism to protect Professionals' income against currency fluctuations, but there was no such mechanism for their pensions.

57. As underlined by the United Nations Joint Staff Pension Board in the report on its forty-second special session, the pension adjustment system could be modified to provide greater recognition of cost-of-living differences at locations, taking into account the income replacement concept.

58. The problems facing UNIDO's staff existed not only in the other Vienna-based organizations, but also in other locations, and the delegations he was representing urged the UNJSPB to continue its comprehensive review of the common system in order to find a realistic and satisfactory solution for approval by the General Assembly. The delegations he was representing reiterated their conviction of the validity of the existing system based on a United Nations common pension fund and would strongly oppose any move for UNIDO to take matters into its own hands.

59. The delegations he was representing welcomed the further progress made in UNIDO to increase the number of women in Professional posts in the Secretariat. They were concerned that such progress might not be sustained in 1991, due in

part to budgetary constraints on recruitment. They endorsed the need for Member States to cooperate if the number of women, particularly at decision-making levels, was to increase. Member States had an obligation to propose good women candidates. The number of qualified women candidates on the roster should be increased and qualification should be the criterion for the recruitment of men and women alike.

60. Ms. WIIG (Observer for Norway), speaking on behalf of the Nordic countries, said that she had noted with interest the statement by the President of the UNIDO Staff Council. She believed there was general agreement that more effort was needed to secure the position of women within the UNIDO Secretariat and the report (IDB.8/15) demonstrated the need to keep the matter under review. UNIDO had long lagged behind other United Nations organizations in respect of the representation of women in its Secretariat and, while there had been some modest improvement in the overall representation of women in posts subject to equitable geographical distribution, she had noted with concern that, whereas in 1990 there had been nine women out of a total of 127 staff at the higher, decision-making levels, there were only eight women out of an increased total of 129 in 1991.

61. She also expressed concern that, as a result of expected retirements in the categories of P-5 and above, the representation of women at those levels might drop during the remainder of 1991 to 4.8 per cent. She drew the Board's attention to paragraph 2 of resolution 17, adopted by the Economic and Social Council at its most recent session, calling for an increase in the representation of women at level D-1 and above to 25 per cent by 1995.

62. The Nordic countries reiterated their request to the Director-General that he should make use of any opportunity, including the restructuring of the Secretariat, to recruit women staff members and to develop the careers of women already employed. They also called upon Governments to present more female candidates for vacant posts.

63. Mr. SPROW (United States of America) said his Government took a great interest in the issue of the representation of women in Professional positions throughout the United Nations system, including UNIDO, and strongly supported Board decision IDB.7/Dec.22. His delegation endorsed UNIDO's long-term efforts to train women for high-level positions through management development workshops, and praised the foresight shown in using the medium-term plan for 1992-1997 to project human resource needs. That should give the Organization an early warning system that would be of general benefit to its recruitment efforts and allow it to concentrate on the often difficult task of identifying qualified women with the necessary technical expertise.

64. The fact that women currently accounted for some 21 per cent of all Professional posts in UNIDO was to be welcomed, as was the fact that 38 per cent of the Professional staff subject to geographical distribution recruited in 1990 had been women. Clearly, however, more had to be done if the 1993 target of 25 per cent was met and Member States must put forward qualified women candidates for recruitment.

65. He shared the concerns expressed by the President of the UNIDO Staff Council and noted that the view which the staff held of the position of women in the Secretariat was not as optimistic as that in the document submitted. While the principal victims of UNIDO's failure to make progress with regard to its programme and budget were the recipient States, it was clear that the Organization's staff was also a victim.

66. Mr. BOGNER (Austria) said that, whenever a problem arose between UNIDO's Members and the UNIDO Administration, or within the Organization itself, the first and principal victims were the staff members, without whose devoted efforts UNIDO could not survive for a single day. The fact that the vast majority of representatives faced similar problems in their own working environments as members of their own countries' civil services might make them more aware of the justified needs of their international colleagues.

67. The days when employment in the United Nations system was the best thing that could happen to a person were long since gone, and his delegation deeply sympathized with the arguments presented so convincingly by the President of the UNIDO Staff Council, and fully endorsed her appeal to Member States to take the views and wishes of the Staff Council into account. In particular it supported her request that Member States should give positive consideration to the proposal that option D of the new United Nations Pension Scheme be accepted by the General Assembly.

68. Mr. LAVIÑA (Philippines) said he endorsed the statement made by the President of the UNIDO Staff Council and, on the subject of women in the Secretariat, supported the statements made by the representatives of Norway, on behalf of the Nordic countries, and the United States regarding the achievement of the 25 per cent target. With regard to the United Nations Joint Staff Pension Fund, the Asian Group had already submitted the name of a candidate for the vacant post of member of the UNIDO Staff Pension Committee until 1991. He endorsed the recommendations made by the General Assembly in its resolutions 45/241 and 45/242, including those relating to the higher levels of the Secretariat, and noted that they had already been approved by the International Atomic Energy Agency.

69. He shared the concerns expressed by the President of the UNIDO Staff Council and endorsed most of her observations, including what she had said about Member States blocking the adoption of the budget. In that connection also, he expressed his support for the statements made by the representative of Norway, on behalf of the Nordic countries, and the representative of the United States.

70. Mr. HABLE-SELASSIE (Director, Personnel Services Division) said that a number of valuable suggestions had been made concerning the representation of women in the Secretariat, notably the statement by the representative of Norway on the importance of Member States putting forward female candidates to fill vacant posts, especially at the senior levels, where a decline in representation was expected as a result of anticipated retirements. Of all the job applications received in 1990, only 18 per cent had been from women and that proportion had since fallen to 16 per cent. It was therefore all the more important that Member States should nominate women candidates for Secretariat posts.

71. With regard to the filling of senior posts in the Secretariat, the Organization was undertaking

an exercise to assess its future requirements in terms of staff and skills in order to implement the medium-term plan for 1992-1997. Once that was completed, it should be possible, especially in the context of the envisaged restructuring of the Secretariat, to plan the necessary training and staff development to equip people to assume those higher responsibilities.

72. With regard to pensions, he had noted from the statements by the representative of Austria and the President of the UNIDO Staff Council that option D seemed to be preferred; it was certainly the option that presented the best income replacement opportunities for staff members, but it had to be considered in terms of the costs involved and the need for flexibility during the forthcoming negotiations in Paris.

73. The Administration shared the sentiments expressed by the President of the UNIDO Staff Council and had studied document IDB.8/49 which raised a number of issues relating to Professional salaries, pensions, the General Service salary survey, staff in the Languages Division, Secretariat promotion policy, the post of President of the UNIDO Staff Council and the operation of joint bodies. The Administration had prepared detailed responses, which would be distributed in due course.

74. UNIDO's staff was a most valuable asset, representing as it did the Organization's capital. The cash-flow problems and budgetary constraints, and in particular the delay in adopting the budget, had created an atmosphere of instability which had had an increasingly negative effect on staff morale. There was a growing perception among staff members that, despite their hard work and devotion to the delivery of the Organization's programmes, their efforts were not sufficiently recognized by Member States. Furthermore, the Secretariat's inability to make long-term commitments as far as their work and future contractual status were concerned, filled them with anxiety.

75. The PRESIDENT said that the Board had concluded its consideration of agenda item 10.

INDUSTRIAL DEVELOPMENT COOPERATION AND DIVERSIFICATION AND MODERNIZATION OF PRODUCTIVE ACTIVITIES IN DEVELOPING COUNTRIES (IDB.8/32)

76. Mr. WIESEBACH (Deputy Director-General, Department for Programme and Project Development) said that document IDB.8/32 was the Secretariat's response to a request by the United Nations General Assembly, in its resolution 45/196, for recommendations, to be sent to it through the Economic and Social Council, designed to strengthen industrial development cooperation and the diversification and modernization of productive activities in developing countries. Since the request had reached UNIDO in January 1991 only, the Secretariat had had a bare two months in which to draft what was tantamount to an industrial development policy concept for the 1990s for the United Nations.

77. Document IDB.8/32 had been made available to the Administrative Committee on Coordination for consideration at its session held in April 1991, but time had been too short to permit a thorough discussion, although a number of agencies had sent UNIDO their observations, which had been noted and used in revising the document.

78. Because of the time constraint and the fact that the Economic and Social Council was due to consider the subject in Geneva in two weeks' time, the document had already been made available to the United Nations Secretariat for distribution to Member States. It was suggested, therefore, that the Board might wish to communicate its views directly to the President of the Council.

79. Mr. SURYAWINATA (Indonesia) said he noted that, in General Assembly resolution 45/196, particular attention was drawn to the need to mobilize funds to ensure that UNIDO's technical cooperation activities led to sound and viable industrial investment projects. His delegation thus urged UNIDO to allocate appropriate resources to its trust fund activities, if necessary through a redeployment of resources, so that full use could be made of the special trust fund schemes as alternatives to traditional assistance programmes.

80. His delegation also called on UNIDO to cooperate with the appropriate organs, organizations and bodies of the United Nations system, particularly the regional economic commissions, to draw up specific programmes and projects in order to respond adequately to resolution 45/196. Efforts should also be made to mobilize funds other than those from traditional assistance programmes to implement those programmes and projects.

81. Because resolution 45/196 was closely related to resolution 45/234 and resolution S-18/3, his delegation proposed that the current item be discussed in conjunction with agenda item 20 on the implementation of the commitments and policies agreed upon in the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries.

82. Mr. GEORGIEVSKY (Ukrainian Soviet Socialist Republic) said he noted with satisfaction that document IDB.8/32 reflected the medium-term plan priorities of human resources development, the development and transfer of technology, industrial rehabilitation, the development of small and medium-sized industries, the environment and energy. The development and transfer of technology was a key area of activity for UNIDO, and would remain so; his delegation assessed positively the Secretariat's work in the field of monitoring new technologies, and considered that it was necessary to expand access to information in those areas of activity with a view to enhancing participation in them by Member States.

83. Industrialization involved all spheres of human activity and was global in nature, and the achievement of the goals set out in the document required the participation of practically all the organizations in the United Nations system; the recommendation in paragraph 12, for example, presupposed the participation of UNCTAD.

84. Mr. OBA (Japan) said his delegation was able to support most of the proposals contained in document IDB.8/32, especially those dealing with the human factor and the challenge of technology. It was particularly pleased to note the reference in paragraph 26 of the document to the Kanban (just-in-time) system implemented in Japanese manufacturing industry. However, it was not entirely happy about the proposals contained in sections C and E of chapter II of document

IDB.8/32, since some of the issues raised appeared to be outside the mandate of the Organization.

85. Mr. HOSSEIN ZADEH (Islamic Republic of Iran) said that General Assembly resolution 45/196 was a unanimous call to action by all the Member States of the United Nations which should be strongly echoed by UNIDO as the leader in industrial development. A key aspect of the diversification and modernization of productive activities in developing countries was the mobilization of funds. New sources, such as trust funds, had to be found to supplement traditional sources which were inadequate.

86. He welcomed the linking of technical assistance to industrial investment. UNIDO should prepare to provide project management services for larger and larger industrial projects and not confine itself merely to playing a catalytic role. He welcomed the emphasis on enterprise-level cooperation, since it was through individual enterprises, public and private, that UNIDO could achieve the results targeted in the medium-term plan.

87. Lastly, his delegation strongly supported the recommendation in paragraph 63 of IDB.8/32 for strengthening and expanding UNIDO's special trust fund activities.

88. Mr. PUTHO (Observer for Thailand) said his delegation fully supported the approach of UNIDO as set out in document IDB.8/32. In particular, the private sector should be encouraged to play a key role in industrialization, supported by the Government or the public sector. Foreign direct investment and joint ventures should be promoted, both between developed and developing countries and among developing countries, through cooperation between UNIDO and finance institutions. Transfer of cleaner, safer and more cost-effective technology should be encouraged. There should be more training of engineers, scientists and entrepreneurs.

89. Mr. SCOULAR (United Kingdom), supported by Ms. LUXEM (Germany) and Mr. BUCHE (United States of America), said that his delegation needed more time to study document IDB.8/32. Its approach to the recommendations in the document was one of caution. In particular, it needed time to consider the implications of section C.

90. He did not agree with the representative of the Islamic Republic of Iran on UNIDO's role. UNIDO could only be a catalyst; it was not a development bank, for example.

91. Mr. AFANASIEV (Union of Soviet Socialist Republics) said he supported the recommendations contained in the document, particularly with respect to inter-agency co-operation. He felt that there should also have been some reference to demilitarization, since that was a major factor for both developed and developing countries in redeploying resources for development.

92. Mr. WIESEBACH (Deputy-Director General, Department for Programme and Project Development) said that document IDB.8/32 incorporated decisions by the policy-making organs and documents such as the medium-term plan. It was thus in the mainstream of concepts on how developing countries could confront a changing world by acquiring expertise in areas such as technology, management and marketing. He could not see how sections C and E exceeded the mandate of UNIDO, as one delegation seemed to have suggested.

93. He agreed with the representative of the Union of Soviet Socialist Republics that the impact of demilitarization was an important issue. It had not been addressed in the current context because it was not included in the General Assembly resolution. The matters covered by agenda item 20 were closely related to those under the current item, and decisions taken on both items 19 and 20 would have an impact on item 16.

94. The PRESIDENT said that the Board had concluded its consideration of agenda item 19. It would return to the item later in the session solely for the purpose of adopting a decision.

IMPLEMENTATION OF THE COMMITMENTS AND POLICIES AGREED UPON IN THE DECLARATION ON INTERNATIONAL ECONOMIC COOPERATION, IN PARTICULAR THE REVITALIZATION OF ECONOMIC GROWTH AND DEVELOPMENT OF THE DEVELOPING COUNTRIES (IDB.8/2)

95. The PRESIDENT said that the item had been included in the agenda of the current session of the Board pursuant to Economic and Social Council resolution 1990/54. General Assembly resolution 45/234 called upon the Governments of States Members of the United Nations and the specialized agencies to take appropriate measures to ensure the full and effective implementation of the Declaration on International Economic Cooperation. It also requested the Secretary-General to submit a report thereon to the General Assembly at its forty-sixth session.

96. Mr. WIESEBACH (Deputy Director-General, Department for Programme and Project Development) said that UNIDO's recommendations in response to that call were to be found in document IDB.8/32.

97. Mr. SCOULAR (United Kingdom), supported by Mr. BUCHE (United States of America), said that further time was needed for consideration of the item, before a decision was taken.

98. The PRESIDENT said that the Board would return to the item later in the session solely for the purpose of adopting a decision.

HEADQUARTERS AGREEMENT BETWEEN UNIDO AND THE REPUBLIC OF AUSTRIA AND SPACE REQUIREMENTS OF THE VIENNA-BASED ORGANIZATIONS (IDB.8/34 and 41)

99. Mr. WARNER (Deputy Director-General, Department of Administration) said that additional space - approximately five floors - was needed to meet United Nations standards and accommodate the growing number of trainees, experts, consultants and other staff working for or with UNIDO. Discussions were continuing with the Austrian Government and the international organizations. When complete, the financial and budgetary implications would be clearer.

100. He expressed appreciation to the Austrian Government for its offer to provide the office space required at no cost to the international organizations.

101. Mr. NEUMANN (Legal Adviser) said that consultations with the legal services of the United Nations and the International Atomic Energy Agency had resulted in agreement on common or parallel provisions for most matters. A number of separate existing agreements had been consolidated into a single text. The Director-General would report to the policy-making organs on further progress.

102. Mr. WOTAVA (Austria) said that his Government had invited the international organizations to submit detailed space requirements to assist in planning the new offices.

103. He was rather surprised that, although document IDB.8/41 referred to UNIDO's immediate need for five additional floors, the Deputy Director-General for Administration had indicated, in another context, that UNIDO had no pressing need for extra space.

104. Mr. WARNER (Deputy Director-General, Department of Administration) explained that his remarks had been in the context of meetings to solve the urgent space needs of the newly created drugs administration (UNDCP). In a spirit of cooperation, he had simply recognized that UNDCP's needs were even more urgent than UNIDO's. That did not alter the fact that UNIDO had an immediate need of five extra floors for the reasons he had explained.

105. Mr. LAVIÑA (Philippines) said he agreed that UNIDO had expanding needs and wished to express his gratitude to the Government of Austria for its offer of additional offices and other space. He was also pleased that the Headquarters Agreement was nearly complete.

106. Mr. GAILI (Sudan) said that it was important that the Government of Austria should be given details of UNIDO's precise needs to assist it in the planning process.

107. The PRESIDENT said that the Board had concluded its consideration of agenda item 21. It would return to the item later in the session solely for the purpose of adopting a decision.

JOINT UNIDO/UNITED NATIONS CONFERENCE SERVICE (IDB.8/43, A/CN.1/R.1136/Rev.1)

108. Mr. ALEXANDRENNE (Deputy Director-General, Department of External Relations, Public Information, Language and Documentation Services) said that the UNIDO conference service had been established in 1967 and had assumed responsibility for serving the United Nations bodies that had moved to Vienna in the late 1970s.

109. When UNIDO became a specialized agency in 1986, it continued to provide the United Nations bodies with translation, editorial, publication and documents control services, through the UNIDO-administered Languages and Documentation Division, whereas the Meetings Planning and Interpretation Service had been transferred to the United Nations Office at Vienna. Since 1986, there had been no complaint from either organization or from the Member States regarding the effectiveness or efficiency of the two components, and it was commonly recognized that the United Nations/UNIDO joint conference services functioned satisfactorily.

110. The International Atomic Energy Agency had a fully-fledged conference service of its own.

111. A study commissioned by the Joint Inspection Unit had initiated discussions about a common conference service in Vienna in 1964, on the plausible assumption that the eventual unification of all conference-servicing facilities at the Vienna International Centre could bring economies of scale and improve efficiency.

112. UNIDO had always been open to serious suggestions which could lead to improvements in conference servicing, provided they entailed no additional expenditure and took account of the interests of all parties. UNIDO firmly believed that any administrative rearrangement should be considered within the established framework of inter-agency consultations.

113. General Assembly resolution 45/248, section A, part VIII, endorsed the recommendations of the Advisory Committee on Administrative and Budgetary Questions (A/45/7/Add.6, paras. 11, 25, 27 and 28), providing inter alia for the submission of detailed proposals for a common United Nations/UNIDO/IAEA conference-servicing facility or a unified United Nations/UNIDO service, either of which would be administered by the United Nations.

114. On 15 April 1991, UNIDO received the Secretary-General's report entitled "Unified Conference Services for the United Nations Organizations at the Vienna International Centre" (A/CN.1/R.1136/Rev.1) for submission to its Governing Bodies. The report embodied the most recent proposal by the United Nations Secretariat, with more limited scope than the initial Joint Inspection Unit idea. Apart from interpretation services, only two organizations, UNOV and UNIDO, would be covered by the proposed conference-servicing configuration.

115. The proposal provided for unification of the UNIDO Languages and Documentation Division and of the UNOV Meetings Planning and Interpretation Service and for UNOV administration of the unified service.

116. UNIDO's position on the subject had been explained on a number of occasions. The unification of the Languages and Documentation Division and the Meetings Planning and Interpretation Service could not yield savings and would have no impact on the functioning of the two units because they were self-contained. Since there was no duplication of functions, no staff reductions could be expected.

117. The transfer of administering authority had considerable financial implications. The current UNOV administrative structure was too small to absorb the Languages and Documentation Division and the additional infrastructure (finance and personnel posts) could cost as much as $1.8 million per biennium. UNIDO could not agree to that proposal because it would conflict with the zero-growth budget policy and would amount to acquiescing in financial mismanagement. Implementation of the suggestion was unwarranted, since the current joint services arrangement functioned satisfactorily.

118. The Secretary-General's report contained a new constructive proposal to place the interpretation component at the VIC under UNOV administration, on behalf of IAEA and UNIDO. That proposal should be implemented without delay, and the new arrangement should be operational as from 1 January 1992.

119. UNIDO supported the conversion of some temporary assistance funds into established posts as it would generate savings and regularize the status of many staff members. However, it did not agree that the conversion could be implemented only if UNOV assumed administration of the joint services. The conversion was reasonable, and

should be administered within the current set-up at the earliest convenience.

120. Analysis of United Nations proposals over the past year had identified some important areas for thorough examination, which should be undertaken and followed up by the tripartite advisory committee on conference services in Vienna.

121. If UNIDO's governing bodies supported the Secretary-General's proposals on the rearrangement of the interpretation service and the conversion of specified amounts of temporary assistance funds into established posts for the Languages and Documentation Division within the current administrative set-up, and confirmed that the current conference-servicing arrangement should continue, such a decision would provide for rational innovations while maintaining the structure that has proved satisfactory to all the parties.

122. Mr. VISLYKH (Director, Administrative and Common Services, United Nations Office at Vienna), introducing the preliminary proposals on the establishment of a unified conference service for the United Nations organizations at the Vienna International Centre (VIC), said that the proposals were self-explanatory. They provided for the establishment of a unified conference service at the VIC under United Nations administration which would offer Member States and the Secretariats of the United Nations and UNIDO a number of important advantages.

123. Firstly, a unified conference service would ensure budgetary transparency and administrative coherence for conference services at the VIC. The lack of such features had been a matter of great concern to Member States since the creation of the VIC and the current set-up of conference services there. The proposals also addressed the important matter of the well-being of conference-servicing staff members who were, quite understandably, dissatisfied with the ambiguity of their contractual status and the lack of career opportunities.

124. Secondly, integration of a unified conference service into the global network of United Nations conference services would allow the services in Vienna to keep up their quality standards in line with the constantly improving standards in the United Nations system throughout the world. Thirdly, a unified conference service in Vienna would offer opportunities to reduce the costs of the operation of the service, and that would benefit the Member States of both Organizations.

125. The ideas set forth in the report had been extensively discussed with UNIDO in the spring of 1991. The United Nations had been encouraged by the support expressed by UNIDO in principle for the idea of establishing a common conference service for the benefit of all entities operating at the VIC and by its desire to continue the discussion of modalities for pooling all conference service resources.

126. However, a number of serious concerns with regard to some of the proposals in the report had also been expressed by the UNIDO Secretariat. The addendum to the report attempted to clarify the most important of them. In particular, the United Nations was in a position to assure UNIDO that if the proposal was accepted, UNIDO's share of conference service costs would not increase. On the contrary, it would in all likelihood decrease immediately and noticeably.

127. On the basis of the above, it was to be hoped that the Member States of UNIDO would find the Secretary-General's proposals acceptable. If not, it would be necessary to consider future steps in that matter, and he sought to explain the position of the United Nations in that regard. The current set-up of the conference service at the VIC had a number of inherent defects.

128. Firstly, the complexity of the cost-sharing procedures led to a lack of transparency in both United Nations and UNIDO budgetary presentations to their respective legislative organs, caused inaccurate accounting records, created irregularities in cash-flow management, led to the inability of both organizations to harmonize income and expenditure estimates and created an inordinate workload requiring an excessive administrative superstructure.

129. Secondly, the existing arrangement was based on a structure which relied upon close, informal working relationships established prior to UNIDO's transformation. Attrition and the inevitable personnel dynamic of separate organizations, each with its own distinct mission, might at any time make that arrangement unviable.

130. Thirdly, the clearly ambiguous situation of staff under contract to one organization but subject to the increasingly divergent rules and regulations of another organization was detrimental to staff morale and dedication. The conference service staff had been working in an administrative limbo. It was unfair to limit career development prospects arbitrarily by perpetuating a compromise.

131. Fourthly, UNIDO's massive commitment to a mainframe-base computer environment was increasingly out of line with the established United Nations programme for computerization. While the United Nations and other specialized agencies were linking their environments together with electronic mail facilities, UNIDO was heading in a different direction.

132. Whereas the United Nations was carrying out a carefully orchestrated project of expanding local area networks linked by minicomputers for its worldwide conference services, UNIDO's EDP strategy had resulted in the non-use of installed features, on both its minicomputers and its mainframe, and currently appeared to be resulting in the cancellation of both its minicomputer environment and its mainframe-based electronic mail facilities.

133. Developments at Headquarters, especially in the area of the non-Roman languages and high-technology storage facilities, could become unavailable because of such incompatibility of operating systems and specific hardware capabilities.

134. Lastly, major economic measures, such as the conversion of costly temporary assistance resources to less expensive established posts, could not be adopted under the status quo situation.

135. In view of those shortcomings, any attempts to enhance the current set-up would serve no useful purpose. Efforts to improve a system were worth while only if the system was basically

sound; if it was conceptually flawed, there was no point in even attempting to improve it without addressing its basic soundness.

136. The fact that the current set-up of the conference service in Vienna had hitherto provided satisfactory services to the end-users was largely due to the integrity, dedication, and experience of the existing conference service staff. Sound management policies could not depend on personalities, however, but must be based on rational and structural arrangements. It was therefore the view of the United Nations Secretary-General, unanimously supported by the United Nations Member States as reflected in General Assembly resolution 45/248, that the status quo in the current conference service arrangement in Vienna could not continue.

137. In those circumstances, the option favoured in the United Nations was the establishment of a unified conference service. The UNIDO Secretariat was also on record as supporting that option in principle, because it offered maximum financial advantages to the two organizations and their Member States. A unified conference service would represent the ideal solution from the standpoint of efficiency of conference-servicing facilities in Vienna. What was currently needed was pragmatic action to match the professed intentions.

138. Given the commitment of both organizations to the idea of a common conference service, the Secretary-General had been requested by the General Assembly to submit to its forty-sixth session detailed specific proposals on the establishment of a unified conference service at the VIC. The documents under consideration contained preliminary proposals of the Secretary-General, because final proposals should be produced jointly by the Secretariats of the United Nations and UNIDO.

139. Both Secretariats had recognized that it would be sensible to use the cumulative effect of unifying conference-servicing resources available at the VIC so as to acquire the ability to employ more flexibly the highly-qualified and costly linguistic personnel and streamline the support structure of the existing conference service. Their main concern was to ensure that the limited resources under the current policy of zero-growth budgets would be put to optimum use. Moreover, changes in the existing set-up should not result in higher costs to the organizations. If those concerns were truly shared, then the two Secretariats should surely participate in an equally constructive manner in the joint unification exercise.

140. That was precisely where enlightened guidance from IDB member States would be most welcome. The United Nations and UNIDO Secretariats should work out a mutually acceptable solution to that longstanding problem and present it to the United Nations General Assembly and the UNIDO General Conference for appropriate incorporation into the budgets of the two organizations.

141. Of course, it was not possible to discount the option providing for separate conference services for the two organizations. After all, IAEA had managed, for many years, to operate effectively and, presumably, cost-efficiently its own conference service, with full support from its member States. The Secretary-General had been specifically requested by the General Assembly to include proposals for the establishment of an independent United Nations conference service in his report to the forty-sixth session.

142. If the Secretary-General determined that no progress in the establishment of a unified conference service at the VIC could reasonably be expected in the immediate future, he was required to proceed with the implementation of that request. At that stage, the United Nations Secretariat was confident that it would be able to establish its own independent conference service at no extra cost to United Nations Member States, but free from all the deficiencies of the current set-up and open to a more effective financial scrutiny and control by the Member States.

143. In sum, the United Nations took the firm position that the status quo in the conference-servicing arrangements at the VIC was unacceptable; it was convinced that the establishment of a unified conference service facility at the VIC would represent an ideal solution from the point of view of effectiveness and cost-efficiency; it thought that the Secretary-General's initial proposals provided a good basis for reaching an agreement between the United Nations and UNIDO on future arrangements for conference services at the VIC; it shared the view of UNIDO that a truly effective and cost-efficient united conference service at the VIC could be established only if all concerned parties were involved and ready to participate; and it invited UNIDO to join, in a truly cooperative spirit, in a common search for an optimum solution for to conference-servicing problem at the VIC that would be acceptable to both organizations and beneficial to their Member States. The final joint proposal of the United Nations and UNIDO on that subject should be presented as soon as possible to their respective legislative organs for proper action.

144. As for the draft decision in document IDB.8/43, it would be totally inadequate, as far as the United Nations were concerned, because it aimed at perpetuating the status quo in the languages and documentation services at the VIC. In proposing implementation of changes in the existing arrangements for interpretation services, it isolated one element to the exclusion of the balance of the Secretary-General's proposals. Neither the continuation of the current set-up nor the arbitrary selection of an individual recommendation from a comprehensive, integral approach was acceptable to the United Nations, which would interpret as a clear indication of UNIDO's unwillingness, despite repeated invitations from the General Assembly, to cooperate with the United Nations in a common search for a better, less costly arrangement for conference services at the VIC.

145. Mr. WOTAVA (Austria) said his delegation was most concerned that serious differences of opinion still obviously existed between the United Nations and UNIDO, with the Secretary-General of the United Nations proposing the creation of a unified conference service that would ensure budgetary transparency and administrative coherence for conferences at the VIC and UNIDO proposing that the conference-servicing arrangements between the two organizations, with the exception of the interpretation component, should remain as they were.

146. The United Nations considered that the joint conference service had a number of defects which could be significantly improved; UNIDO took the view that it was functioning well and that, with the exception of the interpretation services, no changes should be made.

147. The United Nations considered that UNIDO's financial share of conference services would

immediately and significantly decrease as a result of the change, while UNIDO estimated that the Organization would have to meet increased costs of $1,800,000 per biennium.

148. His delegation, that of the host country, did not wish to take sides, but it had to take seriously the statement by the representative of the United Nations that maintenance of the status quo was not acceptable. What, under any circumstances, should be avoided was separate conference services, because both the United Nations and UNIDO believed that joint conference services should be more efficient and less costly. Since they both seemed to agree on that principle, the point at issue was which of them should be responsible for the joint services.

149. They should continue with their efforts to reach a mutually acceptable solution, which would certainly also be in the interest of the Member States. It was his delegation's hope that the Secretary-General's "preliminary proposals" could, in the near future, be converted into a final joint proposal for submission to the competent bodies of both organizations.

150. Mr. TAKASHIMA (Japan) said that there should be a fairer apportionment of costs that reflected the current usage of joint and common services but, having been given very short notice of the proposal by the Advisory Committee on Administrative and Budgetary Questions (ACABQ), his delegation found it impossible to evaluate UNIDO's proposed share of the costs without knowing the total costs for the three related organizations in Vienna. It recommended, therefore, that the Board postpone discussion of the matter until a consensus could be reached with the other organizations.

151. Mr. van RENS (Netherlands), speaking on behalf of the States members of the European Community, also supported the need for a fairer apportionment of costs reflecting current usage of the services available. The existing arrangements were satisfactory, and should be changed only if that would lead to greater efficiency and procedure economies. Without detailed costings of the additional staff required in the United Nations Office at Vienna, if it were to take over the administration of the joint conference service, he was unable to judge the cost-effectiveness of the proposals and could not accept the need for change for its own sake.

152. The same applied to proposals for change in the responsibilities for the administration of common services in the VIC, for the existing arrangements seemed to work satisfactorily and to meet the needs of the staff, the Member States and visitors; any change in those arrangements would need to be examined in the light of the efficiency, economy and quality of services it would bring about.

153. Mr. EFIRD (United States of America) said that, in view of the fact that the General Assembly would be considering the matter at its forty-sixth session, and - it was to be hoped - shedding further light on many of the uncertainties regarding costs and operational modalities, the Board should not take a decision for the moment.

154. The main objective was to achieve the most economical and effective conference service operation in Vienna for both UNIDO and the United Nations. The information provided by the two organizations so far was inconclusive and, in some cases, contradictory. They needed to resolve their differences and work out a satisfactory solution once and for all. A good starting point would be for either UNIDO or the United Nations to take the lead and present Member States with an objective cost-benefit plan, or "business plan", to implement a particular proposal.

155. Mr. SKRIPKA (Union of Soviet Socialist Republics) said that the question of unifying conference services should be considered on a purely practical basis in terms of its effectiveness and rationality. At a joint UNIDO-IAEA briefing held in 1991, representatives of a number of Member States had mentioned the need to obtain further information from United Nations Headquarters concerning the financial advisability of such changes before the right decision could be taken.

156. His delegation took the view that it would be rational to centralize conference services in the VIC, provided that it took account of the interests of all the international organizations of the United Nations system represented in Vienna. The existing joint conference service for UNIDO and the United Nations, which was based on recommendations made in 1984, had proved its viability and was effectively integrated. To abandon it and create separate services for each organization would represent a step backwards and, more importantly, it would involve duplication and a substantial increase in expenditure for the Member States. For that reason his delegation saw no need to split the conference service at the VIC.

157. The proposal by the United Nations Secretariat to merge the two components of the existing conference service and place them under the United Nations Office at Vienna would not create the preconditions for increasing their effectiveness and could entail extra administrative costs. The position adopted by the UNIDO Secretariat, that the existing system should be retained, was fully justified. At the same time, that must not prevent the United Nations Secretariat from implementing a number of useful measures referred to in the Secretary-General's report - in particular, from establishing posts and from integrating the joint conference service in Vienna into the United Nations telecommunication system, etc.

158. A decision on the matter should not be taken too hastily, for the tripartite consultations in 1990 had brought to light a number of new points which need further consideration, and it was to be hoped that the Advisory Committee on Conference Services in Vienna would continue efforts in that direction.

159. Mr. SAENZ PICADO (Costa Rica) said he shared the concern of the representative of Austria. Both the interpretation service and the conference service were widely recognized as working well. He therefore saw no need to change the existing arrangements, particularly as increased costs might arise.

160. Mr. ALEXANDRENNE (Deputy-Director-General, Department of External Relations, Public Information, Language and Documentation Services) said he had taken note of the technical aspects of the recommendations contained in the United Nations report (A/CN.1/R.1136/Rev.1). His Department would

endeavour to work closely with the United Nations to solve the technical problems in question.

161. The PRESIDENT said that the Board had concluded its consideration of agenda item 22. It would return to the item later in the session solely for the purpose of adopting a decision.

JOINT INSPECTION UNIT (IDB.8/42)

162. The PRESIDENT said that, in the absence of any comments, he would assume that the Board wished to take note of the information provided in document IDB.8/42.

163. It was so decided.

MATTERS RELATING TO INTERGOVERNMENTAL, NON-GOVERNMENTAL, GOVERNMENTAL AND OTHER ORGANIZATIONS (IDB.8/14 and 44)

164. The PRESIDENT said, in connection with the three governmental organizations described in IDB.8/44, that, if he heard no objections, he would assume that the Board wished (a) to take note of the information contained in document IDB.8/44 and (b) to authorize the Director-General, in accordance with Article 19.1 (a) of the Constitution of UNIDO and the guidelines for the relationship of UNIDO with intergovernmental, governmental, non-governmental and other organizations, as contained in General Conference decision GC.1/Dec.41, annex, paragraph 9 and on the basis of the information contained in the annex to document IDB.8/44, to conclude appropriate relationship agreements with the following three intergovernmental organizations: the Financial Fund for Development of the River Plate Basin (FONPLATA), the International Pepper Community (IPC), and the Islamic Foundation for Science, Technology and Development (IFSTAD).

165. It was so decided.

166. The PRESIDENT said, in connection with the application by eight non-governmental organizations for consultative status, as described in the annex to document IDB.8/14, that, if he heard no objections, he would assume that the Board wished (a) to take note of the information provided in document IDB.8/14 and (b) to decide to grant consultative status with UNIDO to those eight non-governmental organizations in accordance with Article 19.1 (b) of the Constitution of UNIDO and the guidelines for the relationship of UNIDO with intergovernmental, governmental, non-governmental and other organizations, as contained in General Conference decision GC.1/Dec.41, annex, paragraph 17.

167. It was so decided.

PREPARATORY ARRANGEMENTS FOR THE FOURTH SESSION OF THE GENERAL CONFERENCE, INCLUDING THE REVIEW OF ITS PROVISIONAL AGENDA (IDB.8/37)

168. The PRESIDENT said that, under Article 9 (4) of the Constitution of UNIDO, it was the duty of the Board to prepare a provisional agenda for the General Conference. A decision had already been taken at the seventh session (IDB.7/Dec.25) and the Board had also before it a note by the Secretariat (IDB.8/37) on the preparatory arrangements, including a review of the provisional agenda. If there were no comments, he would take it that the Board's consideration of agenda item 25 was concluded. It would return to the item later in the session solely for the purpose of adopting a decision.

ORGANIZATION OF WORK

169. Mr. van RENS (Netherlands), speaking on behalf of the States members of the European Community, said that they wished to introduce a proposal in respect of agenda item 26. Since that item was scheduled for the following day, by which time the Drafting Committee would, it was hoped, have concluded its work, he requested, in order to avoid a debate on the subject in the last plenary meeting, that there be a discussion of the item in the Drafting Committee that evening.

170. The PRESIDENT said that, if he heard no objections, he would take it that the Board wished to agree to the request by the representative of the Netherlands.

171. It was so decided.

The meeting rose at 7.20 p.m.